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21 MAY 1962

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT : Funds Required for Special Projects  
for FY 1963

1. This memorandum is for information only.
2. The following comments outline pertinent facts concerning the current FY 1963 DPD funding requirements as they relate to the forecasted 1963 Congressional figures submitted in the spring of 1961. Detailed itemization is contained in the Operational Program for FY 1963.
3. There were two unforeseen and unpredictable factors contributing to the amendment in this FY 1963 funding vis-a-vis the FY 1963 forecasted figures: (a) the slippage in the OXCART program, and (b) the increased activity and successes in the IDEALIST and CORONA programs.
4. OXCART. Due to approximately a one year slippage in time required to solve some of the advanced state of the art problems tied to the development and production of the basic OXCART aircraft, engines and related systems, augmented funding for accelerating the program to overcome these delays in FY 1963 become mandatory in both the airframe and engine areas. These slippages could not be foreseen in the preparation of the budget in the spring of 1961. Specifically, the problem areas that developed in the engine area concerned compressor, hydraulic pump and plumbing durability, engine control operation and combustion temperature distribution. To offset these changes, accelerated development engine testing and endurance running schedules were instituted. In the airframe production the handling of new materials, recruitment of additional experienced personnel and unforeseen problems connected with

NRO review(s) completed.

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initial production contributed to alterations in the airframe timetable. As a result of these problem areas, it became necessary in FY 1963 to implement back-up development courses of action in the engine and airframe areas, including additional airframe production space and engine test facilities. In addition, the primary camera selected for this program encountered delays and it now becomes necessary to purchase additional back-up cameras to ensure that payload availability is not the limiting factor in attaining operational readiness. These particular problems account for nearly 50 per cent of the additional funds required in 1963. There was no way of anticipating these problems in the spring of 1961.

5. Keeping in mind that the austere approach would be pursued in the OXCART program as it had been in the U-2 program, various construction, maintenance and supporting costs were not included in the 1963 Congressional budget since limited experience was available for guidance in forecasting support costs. FY 1962 brought over-runs in several areas that there was no indicator for forecasting since experience in some of the fields being explored included the most advanced state of the art in techniques and materials.

6. IDEALIST. The remaining sums of money are accounted for in the CORONA and IDEALIST programs. The reluctance to utilize U-2 operations in 1961 was altered in 1962 by the change in the world situation and operations were substantially increased over the previous year of U-2 overflight activity. In the spring of 1961 twenty missions were forecast for FY 1962; however, thirty-three will be flown by June of 1962 with fifty-one forecast for FY 1963. This, in turn, doubled the requirement for processing, duplicating materials and labor from these operations and the numbers of duplicate copies were increased to fulfill community needs.

7. CORONA. In the spring of 1961 CORONA was programmed to phase out in 1961 in favor of SAMOS; however, in the fall of 1961 a re-evaluation of the status of SAMOS led to a re-establishment of the CORONA program. The CORONA successes also were doubled in Calendar Year 1962. Where many failures occurred in Calendar Year 1961, 1962 was a very successful year (3 out of 7 successful

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in 1961; in 1962, 8 out of 14 successful). Further, the scope of the CORONA program has been increased to accommodate an accelerated firing schedule. This again, as in the IDEALIST program, doubled our cost in processing, reproduction, materials and labor. (27 copies in 1961 to 37 copies in 1962)

8. The above explanation for the additional sums required for 1963 indicate that the monies being sought are not primarily in the administrative and support areas but rather for the continued development of intelligence collection capabilities and increases for processing and reproducing information made available by successful operations.

SIGNED

HERBERT SCOVILLE, JR.  
Deputy Director  
(Research)

Signature recommended:



Acting Chief, DPD

AC/DPD:SWB:jr (18 May 62)

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